



FINAL

BUDGET MEETING MINUTES

A meeting of the Farmington City Council was held on April 25, 2016, in 23600 Liberty Street, Farmington, MI. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 6:00 PM by Mayor William Galvin.

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Sara Bowman	Council Member	Present	
Greg Cowley	Councilmember	Present	
William Galvin	Mayor	Present	
Steve Schneemann	Mayor Pro Tem	Present	
Jeff Scott	Councilmember	Present	

City Administration Present

City Clerk Halberstadt
Assistant to the City Manager Knowles (left at 7:05 p.m.)
City Manager Murphy
Controller Norgard
Treasurer Weber

II. APPROVAL OF AGENDA

1. Motion to approve the agenda.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Steve Schneemann, Mayor Pro Tem
SECONDER:	Sara Bowman, Council Member
AYES:	Bowman, Cowley, Galvin, Schneemann, Scott

III. PUBLIC COMMENT

No public comment was heard.

IV. DDA 2016-17 PROPOSED BUDGET

Knowles presented a proposed FY2016-17 Farmington Downtown Development Authority (DDA) budget. She reviewed the four core themes: 1) to encourage and support development projects; 2) maintain communications and promotions, 3) maintain and strengthen cleanliness, safety and attractiveness in the downtown; and 4) parking management and improvement strategy.

Galvin questioned whether Innovate Farmington is a formal component of DDA. Knowles responded it always has been part of the DDA.

Responding to a question from Bowman, Knowles stated the DDA parking analysis is coordinated with the parking committee.

Scott expressed concern regarding duplication of effort between the city and the DDA in addressing walkability and installation of crosswalks. Knowles confirmed the DDA would contribute financially towards addressing these issues.

Discussion followed regarding proposed road diet and the extent to which the DDA is involved. Knowles stated Christiansen keeps her informed regarding this project. She confirmed promotional dollars would be necessary to support it.

Cowley expressed concern that businesses are not staying open during the Riley Park concerts. Knowles pointed out the implementation of "second Fridays" to promote businesses staying open.

Discussion continued regarding pedestrian traffic in the downtown before and after the concerts; ownership of the ice rink; status of recycling and strategy for shopping local.

Knowles reviewed the proposed DDA budget for FY 2016-17.

Schneemann questioned proposed studies for updated parking analysis and updated traffic analysis for Farmington Road. He suggested delaying a Farmington Road traffic analysis until the city is close to starting the Farmington Road streetscape.

Discussion followed regarding the changes in parking since the last study and whether another study is warranted.

Knowles advised that at the time the study was done in 2006 half of the buildings on the north lot on Grand River were empty and the Civic Theater attendance was well under what it is today.

Cowley stated the study needs to be done in order to determine what makes sense with regard to a parking deck.

Galvin asked regarding cost efficiencies using the Walker study. Knowles responded that they will use the 2006 study as a baseline. She confirmed they will not be issuing a Request for Proposal (RFP) for this project.

Cowley stated his objection to the Farmington Road Streetscape, stating there is nothing to justify the \$1.8 million cost.

Discussion followed regarding what comprises the budget line item for maintenance. Schneemann asked Knowles to scrutinize that portion of the budget, noting it is a really high number.

Discussion continued regarding a strategy for encouraging businesses to stay open later, incubation strategy, offering incentives to potential businesses and the renewal process for

the Principal Shopping District.

Knowles agreed to take Council's feedback to the DDA Board.

V. CITY MANAGER'S PROPOSED BUDGET

Council recessed at 7:07 PM and returned at 7:13 PM.

Murphy recognized the efforts of the Department Heads in putting together the budget. He stated Treasurer Weber and Controller Norgard did a fantastic job in preparing it.

Murphy presented an overview of the proposed 2016/17 budget. The proposed budget is \$8,692,329. He discussed General Fund Revenues that include a property value increase of 0.81%. He noted an operating millage of 14.000; state revenue decrease by 0.6%; and an increase in licenses and permits of 35.19%. He advised other revenues remain stable.

Murphy continued detailing the General Fund revenues and expenses.

Responding to a question from Galvin, Cowley stated the cable franchise fees will continue to decrease as Bright House continues to lose customers.

Cowley advised the DDA should be providing incentives to businesses that have an interest in razing their buildings and expanding with new ones. He stated the DDA has \$237,000 sitting in the bank that should be working for the city.

Schneemann pointed out that it is difficult to incentivize a business to build a new structure if their reward is a higher tax bill.

Discussion continued regarding incentives previously offered by the city that have not been successful.

Discussion followed regarding the need to pursue density in order to generate more tax revenue. Discussion continued regarding proposed projects that will bring in future tax revenue. Galvin pointed out that new growth in the downtown improves the DDA bottom line, but necessarily that of the city.

Discussion continued regarding the need to grow the city budget through redevelopment.

Cowley suggested the city should use some of its healthy fund balance to buy property to increase density.

In general terms, Schneemann concurred with Cowley, however, he suggested fund balance should be used when a specific project is identified, i.e. Maxfield Training Center (MTC) site is a great opportunity or parking structure.

Galvin pointed out the need to protect our bond rating by maintaining our fund balance. He stated if given a choice he would move funds to the capital improvement fund.

Discussion followed regarding a funding commitment to the redevelopment of the MTC property.

Murphy provided a General Fund outlook that included a modest growth in property values

and other revenue; new properties coming on the tax roll; and pension costs anticipated to increase significantly.

Weber discussed reasons for the pension cost increase including a change in accounting procedure required by MERS, the city's retirement administrator.

Murphy continued to review major fund budgets including: Street Funds, Capital Improvement Fund, Water and Sewer Fund, Civic Theater Fund and Mobile Equipment Fund.

Discussion followed regarding road maintenance costs and the city's response to the recommendations of the Paser report. Discussion continued regarding a plan for infrastructure repair.

VI. OTHER BUSINESS

Cowley expressed concern that there is no allocation for parking in the budget. He recommended creating a parking fund similar to road funds.

Schneemann noted the General Fund is available for specific projects. He does not see the need for a separate fund for parking.

Bowman stated she does not understand why the entire city needs to pay for parking in the downtown. She pointed out this is a city budget, not a downtown budget. She stated the discussion continues to focus on the corner of Farmington Road and Grand River.

Cowley pointed out that residential home values rise when the downtown does well.

Cowley stated the city should secure the targeted homes on Grand River.

Scott asked why the city is not transferring money from the General Fund to the Capital Improvement Fund. He suggested taking the excess of 25% from the General Fund balance to the Capital Improvement Fund.

Galvin stated the need to look at projections to insure the General Fund stays at 25% any proposed reallocation.

Discussion followed regarding the advantages and disadvantages of transferring funds from the General Fund to the Capital Improvement Fund.

Galvin questioned how often city administration reviews fees for services. He believes fees are a more equitable way to bring in revenue.

Weber responded building fees were recently reviewed and adjusted. He identified revenue sources over which Council has full control.

Galvin thanked all department heads and City Manager for budget preparations.

VII. ADJOURNMENT

1. Motion to Adjourn

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Steve Schneemann, Mayor Pro Tem
SECONDER: Jeff Scott, Councilmember
AYES: Bowman, Cowley, Galvin, Schneemann, Scott

The meeting adjourned at 9:02 p.m.

William E. Galvin, Mayor

Susan K. Halberstadt, City Clerk

Approval Date: June 20, 2016